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> Lafayette, Louisiana March 16, 2001

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TBOARD CERTIFIED ESTATE PLANNING AND ADMINISTRATION SPECIALIST *BOARD CERTIFIED TAX SPECIALIST

Honorable Philip N. Asprodites Commissioner of Conservation Office of Conservation Post Office Box 94275 Baton Rouge, LA 70804-4275

MARK D. LATHAM

Re:

Gray Sand, Reservoir A, Sand Unit I

Ivan Field

Bossier Parish, Louisiana

Dear Commissioner Asprodites

Application is hereby made on behalf of KERR-MCGEE CORPORATION for the calling of a public hearing, after ten (10) days legal notice, to consider evidence relative to the issuance of an Order pertaining to the following matters relating to the Gray Sand, Reservoir A, in the Ivan Field, Bossier Parish, Louisiana, for which rules and regulations were established and drilling and production units were created for the exploration for and production of gas and condensate by the 269-C Series of Office of Conservation Orders, including the unit designated GRAY RA SUI:

- To permit the applicant to drill, designate and utilize its C. Hartman 27 No. 1 Well as 1. alternate unit well for the GRAY RA SUI, in the Ivan Field, Bossier Parish, Louisiana, said well to be at the location shown on the plat attached hereto and made a part hereof, in exception to the spacing provisions of the 269-C Series of Office of Conservation Orders.
- To find that this well is necessary to efficiently and economically drain a portion of the reservoir covered by such unit which cannot be so drained by any existing well within such unit.
- To permit the operator to produce the unit allowable from the existing unit well and/or alternate unit well and the proposed alternate unit well, or in any combination thereof.
- Except to the extent herein designated, to confirm and continue in full force and effect the provisions of the 269-C Series of Office of Conservation Orders and the units created thereby.

5. To consider such other matters as may be pertinent.

The Gray Sand, Reservoir A, in the Ivan Field, Bossier Parish, Louisiana, was previously defined in Office of Conservation Order No. 269-C-1, effective August 6, 1976.

The applicant is requesting permission to drill, designate and utilize its C. Hartman 27 No. 1 Well as alternate unit well for the GRAY RA SUI. This well will permit efficient and economic recovery of hydrocarbons underlying the unit, will not adversely affect the adjacent offsetting units, and is needed to satisfy the market demand for gas and condensate from the field.

Attached hereto and made a part hereof is a plat outlining the applicant's proposal and a list of the names and addresses of the Interested Owners, Represented Parties and Interested Parties to whom a copy of this application is being sent. Pursuant to the Revised Rules of Procedure, such list of parties is being furnished only to the Commissioner of Conservation and to the District Manager of the Shreveport District of the Office of Conservation; however, the list of parties will be provided to any party requesting a copy of it. A reasonable effort was made to ascertain the names and addresses of all Interested Owners, Interested Parties and Represented Parties.

Finally, enclosed herewith is our check on behalf of the applicant in the amount of \$700.00 made payable to the Office of Conservation representing the required hearing application fee.

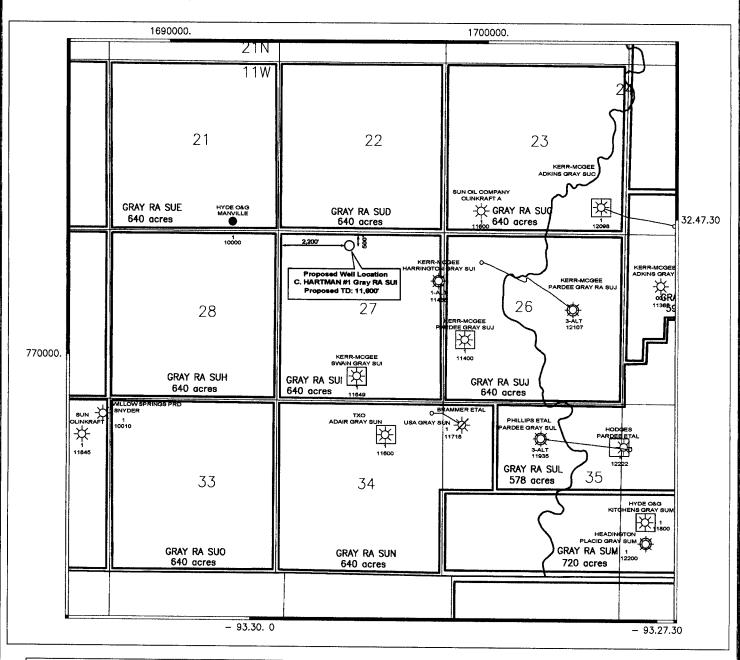
Very truly yours,

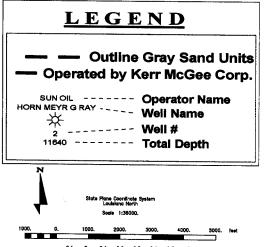
RWRjr/df Enclosures Richard W. Revels, Jr.

cc: Mr. James Broussard Office of Conservation 1525 Fairfield Ave. Shreveport, LA 71101

cc: Interested Owners, Represented Parties and Interested Parties

48990.0125 70023 1.DOC





Alternate Unit Well: Unit Well:



PROPOSED ALTERNATE UNIT WELL GRAY RA SUI; C. HARTMAN #27-1 Alt.

LOCATION PLAT

IVAN FIELD, GRAY SAND GAS, RESERVOIR A BOSSIER & WEBSTER PARISHES, LOUISIANA

1-27.GPF	1" = 3,000'	Proj: Fsarepta
Prepared by: G. Granata	Wells > 10,000'	Date: 2/28/2001